



January 13, 2003

Honorable Wesley Chesbro, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Jenny Oropeza, Chair  
Assembly Budget Committee

Honorable Richard Ackerman, Vice Chair  
Senate Budget and Fiscal Review Committee

Honorable John Campbell, Vice Chair  
Assembly Budget Committee

**Report of State Operations Reductions Per Control Section 3.90, Added by Chapter 1023, Statutes of 2002**

Chapter 1023, Statutes of 2002, added Control Section 3.90 to the 2002 Budget Act, authorizing up to a five-percent reduction to State operations appropriations to reflect a total reduction of up to \$750 million. The Control Section required legislative reporting upon release of the budget identifying the proposed reductions to each department and submission of the statutory changes necessary to achieve these reductions.

The Administration could not achieve the full \$750 million State operations reduction without expanding the scope of reductions to include local assistance. The December 6, 2002, transmittal of the *Mid-Year Spending Reduction Proposals*, identified \$3.4 billion in 2002-03 General Fund reductions, of which over \$300 million is for State operations. This document also contained an Attachment that lists the State operations savings and personnel years by department. This same Attachment is provided with this letter. We would note that some of the State operations reductions on this list are contingent upon reductions in local assistance programs. Further, with the release of the January 10 Governor's Budget, for 2002-03, an additional \$2.1 billion in reductions, mostly from local assistance, are proposed.

Regarding the statutory changes to effect these reductions, on December 6 and 9, 2002, the Administration submitted a list of the Special Session legislation needed to implement the Mid-Year Spending Reduction Proposals. Contained in these transmittals are the statutory changes needed to achieve the State operations savings. On January 10, with the release of the Governor's Budget proposal, a separate updated Special Session Trailer Bill list was transmitted to the Legislature, which includes the latest version of legislation needed to effect the State operations reductions.

For additional detailed information regarding the proposed State operation's reductions, please refer to the Governor's Budget for 2003-04 for those departments listed on Attachment A.

If you have any specific questions about a department's reductions, please contact the appropriate Principal Program Budget Analyst for the specific program area. For general information about the Control Section reductions, please call Lajunta Inman, Principal Program Budget Analyst, at (916) 322,5540.

TIMOTHY GAGE

Director

By:



BETTY T. YEE

Chief Deputy Director

Attachment

cc: Honorable Chair, Senate Budget and Fiscal Review Subcommittee No. 1  
Honorable Judy Chu, Chair, Assembly Budget Subcommittee No. 1  
Honorable Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Joe Simitian, Chair, Assembly Budget Subcommittee No. 2  
Honorable Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3  
Honorable Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Rudy Bermudez, Chair, Assembly Budget Subcommittee No. 4  
Honorable Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
Honorable Manny Diaz, Chair, Assembly Budget Subcommittee No. 5  
Ms. Elizabeth Hill, Legislative Analyst (3)  
Mr. John Decker, Staff Director, Senate Budget and Fiscal Review Committee  
Ms. Karen French, Staff Director, Senate Appropriations Committee  
Mr. Mike Genest, Fiscal Director, Senate Minority Fiscal Office  
Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Christopher W. Woods, Chief Consultant, Assembly Budget Committee  
Mr. Geoff Long, Chief Consultant, Assembly Appropriations Committee  
Mr. Peter Schaafsma, Staff Director, Assembly Minority Fiscal Committee  
Mr. Paul Navarro, Chief Consultant, Assembly Republican Leader's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)